



Customer Collaborative Meeting January 2005

Financial Overview of November 2004 Financial Statements

- We continue to remain generally on course with the Start of Year (SOY) budget, with early price and cost indicators supporting our expectations. There continues to be a large amount of uncertainty in the hydro conditions and the natural gas market at this point in time. Precipitation in October and November has lagged from our SOY budget for those months. While actual precipitation was lower in October and November, power prices have compensated for the decline in the expected supply.

CFO APPROVED		Federal Columbia River Power System			Data Source: EPM Data Warehouse	
Report ID: CC_0020		Statement of Revenues and Expenses - Customer Collaborative			Run Date: December 10,2004	
Requesting BL: CORPT		Through the Month Ended November 30, 2004 as of November 30, 2004			Run Time: 08:19	
Unit of measure: \$ Thousands		Preliminary/ Unaudited			% of Year Lapsed = 16%	
		A	B <Note 3	C <Note 4	C	D
		Actuals: FY 2004	Target SOY: FY 2005	Forecast: Qtr 1 FY 2005	Actuals: FYTD 2005	Actuals: FYTD 2004
Operating Revenues						
1	Sales <Note 1	2,973,496	3,099,412		488,550	500,987
2	Miscellaneous Revenues	53,364	58,620		6,986	8,485
3	Derivatives - Mark to Market Gain (Loss) <Note 2	89,452			23,493	3,787
4	U.S. Treasury Credits	81,600	83,655		12,427	14,433
5	Total Operating Revenues	3,197,911	3,241,687		531,455	527,692
Operating Expenses						
	Power System Generation Resources					
	Operating Generation Resources					
6	Columbia Generating Station	222,115	243,835		42,373	33,214
7	Bureau of Reclamation	59,599	63,700		6,942	8,000
8	Corps of Engineers	137,139	144,500		14,352	16,000
9	Long-term Contract Generating Projects	24,560	29,580		3,067	1,279
10	Operating Generation Settlement Payment	16,838	17,000		2,542	2,542
11	Non-Operating Generation	4,578	8,000		1,963	2,028
12	Contracted Power Purchases and Augmentation Power Purchases <Note 1	546,008	609,261		76,223	126,807
13	Residential Exchange/IOU Settlement Benefits	125,915	144,418		24,255	22,904
14	Renewable and Conservation Generation, including C&RD	82,551	92,307		11,752	13,505
15	Subtotal Power System Generation Resources	1,219,303	1,352,602		183,470	226,279
16	PBL Transmission Acquisition and Ancillary Services	43,624	51,600		312	309
17	PBL Non-Generation Operations	57,418	52,048		7,260	6,732
18	Transmission Operations	83,945	77,893		10,825	11,347
19	Transmission Maintenance	77,475	83,218		11,233	10,888
20	Transmission Engineering	19,271	9,099		(128)	(852)
21	TBL Transmission Acquisition and Ancillary Services <Note 5	3,895	13,490		1,840	1,407
22	Transmission Reimbursables	8,352	9,645		2,152	1,191
23	Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	170,320	172,649		7,591	(7,066)
	General and Administrative/Shared Services					
24	CSRS	30,900	26,500		4,417	5,150
25	Corporate Support (G&A and Shared Services) / TBL Supply Chain	84,158	118,207		11,995	11,821
26	Other Income, Expenses & Adjustments	(4,731)	(980)		206	(1,083)
27	Non-Federal Debt Service <Note 5	248,475	387,047		55,010	42,645
28	Depreciation & Amortization <Note 5	366,239	368,351		60,250	58,834
29	Total Operating Expenses	2,408,646	2,721,368		356,433	367,602
30	Net Operating Revenues (Expenses)	789,266	520,319		175,022	160,091
Interest Expense						
31	Interest on Federal Investment	323,291	320,371		52,308	55,221
32	AFUDC	(38,441)	(26,855)		(4,387)	(5,107)
33	Net Interest Expense	284,850	293,516		47,921	50,114
34	Net Revenues (Expenses) from Continuing Operations	504,415	226,803		127,101	109,977
35	Net Revenues (Expenses)	\$504,415	\$226,803	\$	\$127,101	\$109,977

<1 Beginning in FY 2004, Actuals for Power Sales & Contracted Power Purchases are affected by the change in accounting for power "bookout" transactions after adoption of new accounting guidance, EITF 03-11, effective as of Oct 1, 2003. The change in accounting for power "bookout" transactions was not applied to the Rate Case, and the Forecast.

<2 This is an "accounting only" (no cash impact) adjustment representing the mark-to-market (MTM) adjustment required by SFAS 133, as amended, for identified derivative instruments. The MTM adjustment is excluded in calculating Modified Net Revenues for rate setting purposes.

<3 The Start-of-Year (SOY) budget reflects the power rates decisions made in September 2004 for FY05 and includes transmission data that is consistent with the data presented in the Programs-in-Review (PIR) process.

<4 Although the forecasts in this report are presented as point estimates, BPA operates a hydro-based system that encounters much uncertainty regarding water supply and wholesale market prices.

These uncertainties among other factors may result in large range swings +/- impacting the final results in revenues, expenses, and cash reserves.

<5 Beginning in FY 2004, consolidated actuals reflect the inclusion of transactions associated with a Variable Interest Entity (VIES), which is in accordance with the FASB Interpretation No. 46 (FIN 46) that is effective as of December, 2003. BPA does not budget for Variable Interest Entities and VIES information is not included in rate case, budget and forecast data presented herein.

CFO APPROVED**Power Business Line**

Report ID: CC_0021

Statement of Revenues and Expenses - Customer Collaborative

Data Source: EPM Data Warehouse

Requesting BL: POWER

Through the Month Ended November 30, 2004 as of November 30, 2004

Run Date/Time: December 10, 2004 07:46

Unit of measure: \$ Thousands

Preliminary/ Unaudited

% of Year Lapsed = 16%

		A	B <Note 3	B <Note 4	C	D
		Actuals: FY 2004	Target SOY: FY 2005	Forecast: Qtr 1 FY 2005	Actuals: FYTD 2005	Actuals: FYTD 2004
Operating Revenues						
1	Sales <Note 1	2,470,428	2,597,951		406,986	415,460
2	Miscellaneous Revenues	20,495	15,768		3,853	4,057
3	Inter-Business Unit	76,923	69,648		13,437	11,966
4	Derivatives - Mark to Market Gain (Loss) <Note 2	89,452			23,493	3,787
5	U.S. Treasury Credits	81,600	83,655		12,427	14,433
6	Total Operating Revenues	2,738,898	2,767,023		460,195	449,703
Operating Expenses						
Power System Generation Resources						
Operating Generation Resources						
7	Columbia Generating Station	222,115	243,835		42,373	33,214
8	Bureau of Reclamation	59,599	63,700		6,942	8,000
9	Corps of Engineers	137,139	144,500		14,352	16,000
10	Long-term Contract Generating Projects	24,560	29,580		3,067	1,279
11	Operating Generation Settlement Payment	16,838	17,000		2,542	2,542
12	Non-Operating Generation	4,579	8,000		1,963	2,028
13	Contracted Power Purchases and Augmentation Power Purchases <Note 1	546,008	609,261		76,223	126,807
14	Residential Exchange/IOU Settlement Benefits	125,915	144,418		24,255	22,904
15	Renewable and Conservation Generation, including C&RD	82,599	92,307		11,752	13,505
16	Subtotal Power System Generation Resources	1,219,353	1,352,602		183,470	226,279
17	PBL Transmission Acquisition and Ancillary Services	149,986	171,400		16,236	17,151
18	Power Non-Generation Operations	58,579	52,519		7,260	6,740
19	Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	170,569	173,036		7,591	(7,064)
General and Administrative/Shared Services						
20	CSRS	15,450	13,250		2,208	2,575
21	Corporate Support - G&A and Shared Services; TBL Support - Supply Chain	37,365	53,679		5,254	5,351
22	Other Income, Expenses & Adjustments	(629)			17	(1)
23	Non-Federal Debt Service	429,142	512,503		83,121	76,575
24	Depreciation & Amortization	177,297	179,201		28,966	28,633
25	Total Operating Expenses	2,257,111	2,508,190		334,123	356,240
26	Net Operating Revenues (Expenses)	481,787	258,832		126,072	93,463
Interest Expense						
27	Interest	180,444	186,999		30,579	30,838
28	AFUDC	(17,913)	(9,320)		(1,465)	(1,919)
29	Net Interest Expense	162,531	177,679		29,113	28,919
30	Net Revenues (Expenses) from Continuing Operations	319,256	81,153		96,958	64,545
31	Net Revenues (Expenses)	\$319,256	\$81,153	\$	\$96,958	\$64,545

<1 Beginning in FY 2004, Actuals for Power Sales & Contracted Power Purchases are affected by the change in accounting for power "bookout" transactions after adoption of new accounting guidance, EITF 03-11, effective as of Oct 1, 2003. The change in accounting for power "bookout" transactions was not applied to the Rate Case, and the Forecast.

<2 This is an "accounting only" (no cash impact) adjustment representing the mark-to-market (MTM) adjustment required by SFAS 133, as amended, for identified derivative instruments. The MTM adjustment is excluded in calculating Modified Net Revenues for rate setting purposes.

<3 The Start-of-Year (SOY) budget reflects the power rates decisions made in September 2004 for FY05.

<4 Although the forecasts in this report are presented as point estimates, BPA operates a hydro-based system that encounters much uncertainty regarding water supply and wholesale market prices. These uncertainties, among other factors, may result in large range swings +/- impacting the final results in revenues, expenses, and cash reserves.

CFO APPROVED

Report ID: CC_0022

Requesting BL: CORPT

Unit of measure: \$ Thousands

Federal Columbia River Power System
Schedule of Net Revenue (Expense) to Modified Net Revenue - Customer Collaborative
 Through the Month Ended November 30, 2004 as of November 30, 2004
 Preliminary/ Unaudited

Data Source: EPM Data Warehouse

Run Date: December 10, 2004

Run Time: 07:54

	A	B	C	D	E	F <Note 9	G <Note 7
	Actuals: FY 2000	Actuals: FY 2001	Actuals: FY 2002	Actuals: FY 2003	Actuals: FY 2004	Target SOY: FY 2005	Forecast: QTR FY 2005
Power Business Line (PBL)							
1 PBL Net Revenue (Expense) <Note 1	252,130	(380,538)	(87,421)	242,996	319,256	81,153	
PBL Modified Net Revenue Adjustments:							
2 SFAS 133 Adjustments (MTM) <Notes 1, 2		(120,614)	38,354	55,265	89,452		
3 ENW Debt Adjustments	(81,677)	(157,853)	(264,697)	(148,085)	(151,275)	(18,950)	
4 PBL Modified Net Revenue Adjustments <Note 3	(81,677)	(37,239)	(303,051)	(203,350)	(240,727)	(18,950)	
5 PBL Modified Net Revenue <Note 4	170,453	(417,778)	(390,472)	39,646	78,529	62,203	
6 PBL Accumulated Net Revenue (GRSP Defined) <Note 5	170,453	(247,325)	(637,797)	(598,151)	(519,622)	(457,419)	
7 FBCRAC Threshold Amount <Note 6	--	(386,000)	(408,000)	(378,000)	(264,000)	(252,000)	(252,000)
8		MNR Improvements Required to not trigger FBCRAC					
9 FCRPS Modified Net Revenue <Note 8	159,300	(374,640)	(346,387)	36,874	66,327	63,129	

<1 Includes \$168,491k unrealized loss due to the Cumulative Effect of Change in Accounting Principle for SFAS 133, which was posted to FY 2001. This amount is excluded when calculating the MNR.

Prior report releases and presentations reported the net effect of this change, resulting in previously reported amounts of \$(212,043.18)k for PBL Net Revenue (Expense), and \$(205,730.03) for PBL MNR Adjustment.

<2 Revenue Adjustments reflect impacts from SFAS 133 that are subtracted from net revenue, while ENW Debt Service adjustments reduce MNR if rate case amounts exceed actual ENW Debt Services expenses.

<3 Consistent with the GRSP's, the Modified Net Revenue (MNR) is an adjustment to Net Revenues for the purpose of calculating the rate case Financial and Safety-net Cost Recovery Adjustment Clause.

The MNR excludes the impact of SFAS 133 transactions (Accounting for Derivative Instruments and Hedging Activities); for Debt Service, the MNR excludes actual ENW debt service and substitutes the Energy Northwest debt service expenses as forecasted in the WP-02 Final Studies.

<4 FYTD PBL MNR equals \$69 million and FYTD FCRPS MNR equals \$67 million.

<5 The GRSP's definition of the Accumulated Net Revenue (ANR) differs from the accounting standard definition of ANR. The GRSP's defined ANR is used in determining the FBCRAC rates; the GRSP's ANR represents the accounting standard Accumulated Net Revenue (starting 09/30/99) less the accumulated effects of FAS 133 and ENW debt refinancing activities (see note 1.)

<6 In accordance with the GRSP's, the FBCRAC thresholds were established to provide an upward adjustment to rates to address declining financial circumstances.

The thresholds are established as a benchmark in which to evaluate the financial condition. The FBCRAC thresholds for the ends of FY 2003 - 2005 are reset to equal the SNCRAC thresholds each time the SNCRAC thresholds are recalculated. [SN-03-A-02]

<7 Although the forecasts in this report are presented as point estimates, BPA operates a hydro-based system that encounters much uncertainty regarding water supply and wholesale market prices.

This report is not an absolute prediction of future revenues or costs, nor does it reflect the actual ANR for the end of the fiscal year, (unless otherwise indicated.)

This report should not be used for investment purposes, nor is it a guarantee that the actual ANR will be achieved as forecasted.

<8 Because the FCRPS MNR excludes actual ENW debt service amounts and substitutes the Energy Northwest debt service expenses as forecasted in the WP-02 Final Studies, the FCRPS MNR removes the effect of debt refinancing from BPA's annual financial activities.

<9 The Start-of-Year (SOY) budget reflects the power rates decisions made in September 2004 for FY05 and includes transmission data that is consistent with the data presented in the Programs-in-Review (PIR) process.

CFO APPROVED**Transmission Business Line**

Report ID: CC_0023

Statement of Revenues and Expenses - Customer Collaborative

Data Source: EPM Data Warehouse

Requesting BL: TRANS

Through the Month Ended November 30, 2004 as of November 30, 2004

Run Date/Time: December 16, 2004/ 01:41

Unit of Measure: \$ Thousands

Preliminary/ Unaudited

% of Year Lapsed = 16%

	A	B <Note 1	C <Note 2	D <Note 3	E	F
	Actuals: FY 2004	Rate Case Forecast: FY 2005	Target: SOY FY 2005	Forecast: Quarter1 FY 2005	Actuals: FYTD 2005	Actuals: FYTD 2004
Operating Revenues						
1 Sales	503,068	599,661	501,461		81,563	85,527
2 Miscellaneous Revenues	32,868	13,404	42,852		3,134	4,428
3 Inter-Business Unit Revenues	108,123	132,077	95,493		15,923	16,857
4 Total Operating Revenues	644,059	745,142	639,806		100,621	106,812
Operating Expenses						
5 Transmission Operations	83,998	98,811	77,893		10,825	11,347
6 Transmission Maintenance	77,475	86,511	83,218		11,233	10,888
7 Transmission Engineering	19,893	10,768	9,099		(128)	(852)
8 TBL Transmission Acquisition and Ancillary Services <Note 4	79,977	88,860	86,292		15,277	13,373
9 Transmission Reimbursables	8,352	10,000	10,000		2,152	1,191
General and Administrative/Shared Services						
10 CSRS	15,450	13,250	13,250		2,208	2,575
11 Corporate Support - G&A and Shared Services/TBL Support - Supply Chain	47,166	63,978	64,528		6,740	6,469
12 Other Income, Expenses & Adjustments	(4,008)		(980)		240	(32)
13 Non-Federal Debt Service <Note 4	1,191		(6,432)		(1,072)	
14 Depreciation & Amortization <Note 4	188,942	190,746	189,150		31,284	30,201
15 Total Operating Expenses	518,438	562,924	526,017		78,760	75,160
Net Operating Revenues (Expenses)	125,620	182,217	113,789		21,861	31,651
Interest Expense						
17 Interest on Federal Investment	158,350	199,789	159,072		26,001	26,967
18 AFUDC	(20,528)	(23,500)	(17,535)		(2,884)	(3,171)
19 Net Interest Expense	137,822	176,289	141,537		23,117	23,797
Net Revenues (Expenses) from Continuing Operations	(12,202)	5,928	(27,748)		(1,256)	7,855
Net Revenues (Expenses)	(\$12,202)	\$5,928	(\$27,748)	\$	(\$1,256)	\$7,855

<1 The TBL groupings of expenses by programs and sub-programs for FY 2005 estimates, developed as part of the 2005 Rate Case, are reconstituted to match the programs and sub-programs groupings shown on this report.

<2 The Start-of-Year (SOY) budget for FY 2005 is consistent with the data presented in the Programs-in-Review (PIR) process.

<3 Although the forecasts in this report are presented as point estimates, BPA operates a hydro-based system that encounters much uncertainty regarding water supply and wholesale market prices. These uncertainties, among other factors, may result in large range swings +/- impacting the final results in revenues, expenses, and cash reserves.

<4 Beginning in FY 2004, consolidated actuals reflect the inclusion of transactions associated with a Variable Interest Entity (VIES), which is in accordance with the FASB Interpretation No. 46 (FIN 46) that is effective as of December, 2003. BPA does not budget for Variable Interest Entities and VIES information is not included in rate case, budget and forecast data presented herein.

CFO APPROVED		Corporate Business Unit			Data Source: EPM Data Warehouse	
Report ID: CC_0024		Statement of Revenues and Expenses - Customer Collaborative			Run Date: December 10,2004	
Requesting BL: CORPT		Through the Month Ended November 30, 2004 as of November 30, 2004			Run Time: 08:33	
Unit of measure: \$ Thousands		Preliminary/ Unaudited			% of Year Lapsed = 16%	
		A	B <Note 4	C	D	E
		Actuals: FY 2004	Target SOY: FY 2005	Forecast: Qtr 1 FY 2005	Actuals: FYTD 2005	Actuals: FYTD 2004
Operating Revenues						
1	Sales					
2	Miscellaneous Revenues					
3	Derivatives - Mark to Market Gain (Loss)					
4	U.S. Treasury Credits					
5	Total Operating Revenues					
Operating Expenses						
	Power System Generation Resources					
	Operating Generation Resources					
6	Columbia Generating Station					
7	Bureau of Reclamation					
8	Corps of Engineers					
9	Long-term Contract Generating Projects					
10	Operating Generation Settlement Payment					
11	Non-Operating Generation					
12	Contracted Power Purchases and Augmentation Power Purchases					
13	Residential Exchange/IOU Settlement Benefits					
14	Renewable and Conservation Generation, including C&RD					
15	Subtotal Power System Generation Resources					
16	PBL Transmission Acquisition and Ancillary Services					
17	PBL Non-Generation Operations					
18	Transmission Operations					
19	Transmission Maintenance					
20	Transmission Engineering					
21	TBL Transmission Acquisition and Ancillary Services					
22	Transmission Reimbursables					
23	Fish and Wildlife/USF&W/Planning Council/Environmental Requirements					
	General and Administrative/Shared Services					
24	CSRS					
25	Corporate Support (G&A and Shared Services) / TBL Supply Chain					
26	Other Income, Expenses & Adjustments <Note 1				(51)	(1,050)
27	Non-Federal Debt Service <Note 2	(181,858)	(119,024)		(27,039)	(33,930)
28	Depreciation & Amortization					
29	Total Operating Expenses	(181,858)	(119,024)		(27,089)	(34,980)
30	Net Operating Revenues (Expenses)	181,858	119,024		27,089	34,980
Interest Expense						
31	Interest on Federal Investment <Note 3	(15,503)	(25,700)		(4,272)	(2,584)
32	AFUDC				(38)	(17)
33	Net Interest Expense	(15,503)	(25,700)		(4,310)	(2,601)
34	Net Revenues (Expenses) from Continuing Operations	197,361	144,724		31,399	37,581
35	Net Revenues (Expenses)	\$197,361	\$144,724	\$	\$31,399	\$37,581

<1 Balances may be due to under/(over) clearing of Corporate expenses.

<2 Corporate Non-Federal Debt Service represents transactions related to Energy Northwest Debt Reassignment.

<3 Corporate Interest reflects the reassignment of Energy Northwest Debt transactions for interest paid by the Transmission business line for use of Debt Reassignment proceeds.

<4 The Start-of-Year (SOY) budget reflects the power rates decisions made in September 2004 for FY05.